

HEALTH INSURANCE:

What You Need to Know When Applying for an Individual Health Insurance Policy

Filling out an individual health insurance application can be confusing and difficult. Insurance companies scrutinize these applications, closely reviewing the information you provide. That's why it's critically important that you educate yourself about individual health insurance and your rights as a consumer.

To help make the application process easier, the Utah Insurance Department suggests that you keep the following information in mind when securing an individual health care policy for yourself and your family.

Overview of a Health Insurance Application

In most states when applying for individual health coverage, the insurance company will request:

- Common information such as name, address, Social Security number, marital status, dependents and whether any of the applicants have other health insurance coverage in force or are covered under Medicaid/Medicare programs.
- The date you would like coverage to be effective.
- Health information about yourself and other family members desiring coverage. Extensive medical and health information will be expected for the applicant and any other family member listed on the application. The information requested can vary, so pay close attention to the number of years of medical history required and the exact health information requested.
- Whether anyone listed on the application has previously been declined health, disability or life insurance, or had his or her health, disability or life insurance cancelled or rescinded. Some states prohibit companies from asking about declined, cancelled or rescinded coverage.

Health Insurance Underwriting

Insurance companies will use the medical information obtained on the health insurance application to determine your premium rates. Occasionally, insurance companies will need additional information from your physician or another medical provider.

Once the health status of all applicants listed on the application is determined and the application is accepted, a rate class is assigned and the applicant is put into a pool with other insureds with similar risk characteristics. The premium rate will be charged to that entire class of customers and subsequent annual renewal premiums will be determined by the claims experience of the entire pool.

Individual claims or an illness may cause an insurance company re-underwrite your policy, causing it to move you to a new rate class. If you have questions about whether a company is allowed to re-underwrite your policy, contact your state insurance department.

Denial of Health Insurance Coverage

Help may be available if you are turned down for individual coverage or find the policy is approved, but the premiums for the coverage are too high. Many states have programs that help provide health insurance to those denied coverage due to a medical

Contact your state insurance department if you would like more information.

- If you answer “yes” to any of the background health questions on the application, provide the name of the family member, their physician’s information and the exact details regarding the dates and nature of their condition.

Obtaining Medical Records

To ensure you do not inadvertently fail to disclose material information, you should retrieve all of your medical records. Some physicians might ask you to send your request in writing or charge a fee for reproducing your medical records. As a general rule, it is a good idea to request a copy of your files each time you switch doctors.

What is a Pre-existing Condition?

A pre-existing condition is a physical or mental condition for which medical advice, a diagnosis, or care or treatment is recommended or received within a certain period of time before the enrollment date of the policy. Even if an insurance company approves your coverage, it might restrict coverage of pre-existing conditions completely or for a specified period of time.

However, once you are accepted for coverage, the company may only cancel your policy for nonpayment of premium or for a deliberate falsification of a material fact, such as a omitting a pre-existing condition from an application. Sometimes pre-existing conditions will cause a claim to be denied or raise your premium.

Complete Disclosure is Required Before Signing the Application!

The last part of the application is an agreement that typically states any dishonesty or failure to

or pre-existing condition. There are also programs available federally or through your state to assist with the high cost of health care and health insurance.

Contact your state government to learn about your eligibility for Medicaid (for low-income and disabled persons), the State Children’s Health Insurance Program (SCHIP), high-risk pool coverage for individuals who are denied coverage, prescription drug assistance programs, or other assistance.

Contact the U.S. Department of Health and Human Services for information about Medicare including the new prescription drug program, which provides many options. In addition, the federal government provides tax credits for certain workers who have lost their jobs because of federal trade agreements or whose retirement/pension program has failed.

Make sure you check with your state insurance department for your individual state’s laws regarding health insurance and the options available if you are denied an individual health insurance policy.

More Information

For more tips about choosing health insurance coverage that is right for you and your family, go to www.insureUonline.org.

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disclose requested or material information could result in an approved insurance contract being terminated. Giving accurate and honest answers will save you possible problems. Sign the health insurance application only after you have reviewed it carefully to be sure the answers are complete and accurate.